



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

April 5, 2010

Keeley Aerospace, LTD.
Bart Webb
1240 Railroad Street
Corona, CA 92882

Dear Mr. Web:

RE: FINAL MONITORING VISIT REPORT for Keeley Aerospace, LTD – ET09-0146

Date of the Visit:	3/9/10
Beginning/Ending Time:	1:30pm – 3:30pm
Date of Last Visit:	11/5/08
Visit Location:	Corona, CA
Persons in attendance:	Bart Webb, President, Keeley Aerospace Ryan Swier, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	7/7/08-7/6/10	Agreement Amount:	\$59,280
Training Start Date:	8/4/08	No. to Retain:	38
Date Training must be Completed:	4/6/10	Range of Hours:	8-120
Type of Trainee:	Retrainee	Weighted Ave. Hours:	42

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ETP (04/15/05)

FINAL REPORT SUMMARY:

The Agreement was executed on 9/25/08 and training began on 8/4/08. Your staff reported all training was completed by 12/5/08 which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 7/6/10.

INTERVIEW WITH THE CONTRACTOR

The Contractor reported that ETP-funded training started in AS9100 (continuous improvement skills) but stopped in December 2008 as Keeley Aerospace was issued a quality violation from Boeing in August 2008 stopping all orders. Mr. Webb tried to obtain funding to keep Keeley operating but was unable to acquire funds and laid off 40 employees in December 2008, leaving nine employees companywide. Boeing lifted the violation in December 2008; however Keeley had experienced high financial losses and was not able to return to its prior production level. Mr. Webb is currently in negotiations with Korean company which is planning on acquiring Keeley Aerospace in the near future.

PROJECT STATUS

Trainees Started Training:	30
Trainees Enrolled:	43
Dropped Following Enrollment:	29
Completed Minimum Training Hours:	14
Completed Training:	14
Completed Retention:	0

The chart below lists the training hours provided to the 14 trainees tracked on-line who reached the specified benchmarks:

NUMBER OF TRAINEES: (14 TRAINEES)	HOURS COMPLETED	PERCENTAGE OF TOTAL ENROLLED
12	8-20	86%
1	21-40	7%
1	41-60	7%

As of the date of the Monitoring report, the Contractor's statistics showed that 14 trainees had completed a minimum of 8 hours of training to qualify for reimbursement. Mr. Swier explained to the contractor that the per trainee reimbursement for class/lab training is based on the total number of training hours completed by each trainee, provided the minimum 8 hours of training and no more than the maximum 120 hours of training are completed, and all other Agreement terms and conditions are met.

The aforementioned 14 retrainees were provided a total of 236 hours of training as to the date of this monitoring report. Therefore, Keeley Aerospace can potentially earn \$6,136 in reimbursement (10 percent of encumbered funds), if all Agreement terms and conditions are met. As of the date of the monitoring visit Keeley Aerospace has

received \$8,034 of which of which \$0 is considered earned and approved by ETP. **Keeley must submit the Final Closeout invoice as soon as all 14 trainees have completed the final 90 day retention period and no later than 30-days after the end term date of the Agreement (8/6/10).** Mr. Swier informed Mr. Webb that Keeley Aerospace will be an overpayment situation and advised him to work with the ETP fiscal department in order to payback the overpayment ASAP in order to avoid additional interest charges.

ATTENDANCE ROSTERS:

During the Monitoring Visit, Mr. Swier reviewed all the attendance records. The review of the records revealed that the 14 trainees had completed 8 to 60 hours of class/lab training. The review sample consisted of original daily class/lab attendance rosters for training provided from 8/4/08 through 12/5/08. Mr. Swier compared the information in the ETP on-line class/lab tracking system with the attendance rosters to ensure that the information was consistent.

The review of the completed rosters revealed that the information on the rosters was in accordance with Title 22, California Code of Regulations, Section 4442, Record Keeping and consistent with information in the ETP on-line tracking report.

AUDIT:

Keeley Aerospace, LTD. will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Ryan Swier at (619) 686-1902, or e-mail him at rswier@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to read 'R. Swier', with a long horizontal flourish extending to the right.

Ryan Swier, Contract Analyst
San Diego Regional Office

cc: Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File
Transparency File